

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION
SUMMARY OF CHANGES & COMMON PROBLEM AREAS

BUSINESS TAX RATES

Effective for all tax years ending on or after July 1, 2001, the business profits tax rate is increased from 8% to **8.5%**, and the business enterprise tax rate is increased from 0.5% to 0.75%. The changes apply to the entire tax period and not just the months after June 30, 2001.

For taxpayers who elected a federal 52-53 week tax year under section 441 of the US Internal Revenue Code the fiscal year of which ends on the last day of the week nearest to June 30, 2001, the taxable period will be deemed to end on June 30, 2001 for purposes of this statutory rate increase.

BUSINESS ENTERPRISE TAX FILING THRESHOLDS

The filing threshold for the business enterprise tax increased to **\$150,000** of gross business receipts or **\$75,000** of the enterprise value tax base (as compared to previous filing thresholds of \$100,000 and \$50,000 respectively). The filing threshold changes are effective for all returns and taxes due on account of taxable periods ending on or after July 1, 2001 for taxpayers who elected a federal 52-53 week tax year under section 441(f) of the US Internal Revenue Code and the fiscal year of which ends on the last day of the week nearest to June 30, 2001, the taxable period will be deemed to have ended on June 30, 2001 for purposes of these thresholds.

INTEREST RATES

The interest rates for calendar year 2002 are established by RSA 21-J:28. Effective January 1, 2002 through December 31, 2002, the State of New Hampshire interest rates, applicable on taxes administered by the Department of Revenue Administration, will be 9% for underpayments and 6% for overpayments. Interest is calculated on the balance of the tax due from the original due date of the tax to the date the tax is paid.

PERIOD	INTEREST RATE FOR UNDERPAYMENT OF TAX	INTEREST RATE FOR OVERPAYMENT OF TAX
1/1/2002 - 12/31/2002	9%	6%
1/1/2001 - 12/31/2001	11%	8%
1/1/1999 - 12/31/2000	10%	7%
1/1/1998 - 12/31/1998	11%	8%
PRIOR TO 1/1/1998	15%	10%

REPORTING IRS CHANGES

To report IRS changes taxpayers must file the appropriate Report of Change (ROC) Form for each taxable period they incurred a change. Forms may be obtained by contacting the forms line at (603) 271-2192 or by visiting the forms page of our web site at www.state.nh.us/revenue. You may contact the Department at (603)271-3400 with any questions.

REMINDER FOR SINGLE MEMBER LIMITED LIABILITY COMPANIES

Form DP-200 SMLLC Request for Department Identification Number must be filed 30 days prior to filing any other tax related document.

NO EXTENSION OF TIME TO PAY TAX

An extension of time to file your return is not an extension of time to pay the tax due. An automatic 7 month extension of time to file your return will be granted, however interest will be applied and penalties may be assessed if 100% of the tax determined to be due has not been paid by the due date of the tax. Zero extensions are not required to be filed.

Use Form BT-EXT for Business Taxes if you need to make an additional payment in order to have paid 100% of the tax due by the original due date.

When you calculate the tax on your return during the extension period, if the tax balance due is greater than zero, then you did not pay 100% of the tax by the original due date and interest will be applied and penalties may be assessed. Do not file a request for an extension if no money is due.

To request an abatement of any penalties that may be assessed, please attach a letter and any supporting documentation (e.g. work papers for said calculation, change of status, etc.) to the front of the return when filed. As long as 100% of the tax due has been paid by the original due date, you have an automatic 7 month extension of time to file the return.

Even if you have filed a Federal and/or State extension, it is not necessary to attach a copy to your return.

BT SUMMARY STEP 2 - BPT QUESTIONS MUST BE ANSWERED

Failure to answer questions in Step 2 of the BT-Summary may result in inquiries from the Department which **MAY** generate late filing penalties.

REQUIRED FEDERAL TAX RETURN and/or SCHEDULES

Be sure to include all required forms with your return, and check the appropriate boxes in STEP 2, Filing Requirements.

SEQUENCING

All state forms which are required to be filed with the return have a sequencing number in the upper right-hand corner. Please place the forms that you are required to file in sequential order when assembling your return.

SIGNATURE(S) MUST BE IN INK

Please sign your return in ink. If required, your spouse and/or paid preparer must also sign the return in ink.

CONSISTENT ORDER

On all jointly filed documents, order of names and social security numbers should be consistent from year to year.

PAYMENT

- a) Please make sure that the check amount equals the document amount shown as balance due.
- b) Complete the check and sign it.
- c) DO NOT submit your check remittance stubs.
- d) Enclose, but DO NOT staple or tape, your payment with the document you are submitting.

AVAILABILITY OF FORMS

To obtain forms or forms not contained in this booklet, please call (603) 271-2192. Copies of the state tax forms may be obtained from our web site at www.state.nh.us/revenue or by visiting any of the 21 Depository Libraries located throughout the State.

The New Hampshire State Publication Depository Library program, established by RSA 202-B, guarantees that information published by state agencies, including tax forms, laws and rules, are available to all citizens of the state through local libraries. Libraries participating in the Depository program, where copies can be made for a fee, are:

Bedford Public Library, Bedford
Dartmouth College, Baker Library, Hanover
Fiske Free Library, Claremont
Keene State College, W.E. Mason Library, Keene
Laconia Public Library, Laconia
Littleton Public Library, Littleton
Nashua Public Library, Nashua
New Hampshire State Library, Concord
Peterborough Town Library, Peterborough
Portsmouth Public Library, Portsmouth
University of New Hampshire, Dimond Library, Durham

Concord Public Library, Concord
Derry Public Library, Derry
Franklin Public Library, Franklin
Kelley Library, Salem
Law Library, Supreme Court, Concord
Manchester City Library, Manchester
New England College, Shapiro Library, Henniker
New Hampshire Technical College, Berlin
Plymouth State College, Herbert Lamson Library, Plymouth
St. Anselm College, Geisel Library, Manchester